

LEGISLATURE OF NEBRASKA
NINETY-NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 595

Introduced by Kruse, 13

Read first time January 18, 2005

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend section 79-1007.01, Reissue Revised
3 Statutes of Nebraska, and section 79-1028, Revised
4 Statutes Supplement, 2004; to change provisions relating
5 to weighting factors in calculating adjusted formula
6 students as prescribed; to change provisions relating to
7 applicable allowable growth rates; and to repeal the
8 original sections.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1007.01, Reissue Revised Statutes
2 of Nebraska, is amended to read:

3 79-1007.01. (1) The adjusted formula students for each
4 local system shall be calculated by:

5 (a) Multiplying the formula students in each grade range
6 by the corresponding weighting factors to calculate the weighted
7 formula students for each grade range as follows:

8 (i) The weighting factor for kindergarten other than
9 full-day kindergarten is five-tenths;

10 (ii) The weighting factor for full-day kindergarten is
11 one and four-tenths;

12 (iii) The weighting factor for grades one through six ~~including full-day kindergarten,~~ is one;

13 ~~(iii)~~ (iv) The weighting factor for grades seven and
14 eight is one and two-tenths; and

15 ~~(iv)~~ (v) The weighting factor for grades nine through
16 twelve is one and four-tenths;

17
18 (b) Adding the weighted formula students for each grade
19 range to calculate the weighted formula students for the local
20 system; and

21 (c) Adjusting the weighted formula students by adding the
22 following demographic factors:

23 (i) The Indian-land factor shall equal 0.25 times the
24 average daily attendance of students who reside on Indian land as
25 reported by the United States Department of Education in
26 calculating the local system's payment pursuant to 20 U.S.C. 7701
27 et seq., as such sections existed on April 12, 2002;

28 (ii) The limited English proficiency factor shall equal

1 ~~0.25~~ 1.0 times the students in the local system with limited
2 English proficiency as defined under 20 U.S.C. 7601, as such
3 section existed on April 12, 2002;

4 (iii) The department shall calculate the number of
5 formula students to whom the poverty factor shall apply. The
6 department shall calculate a ratio of the formula students to the
7 total children under nineteen years of age residing in the local
8 system and shall apply the ratio to the low-income children within
9 the local system, in order to determine the number of low-income
10 students within such local system. The number of children under
11 nineteen years of age used in this calculation shall be derived
12 from income tax information. The poverty factor shall equal the
13 number of low-income students or the formula students qualified for
14 free lunches or free milk under United States Department of
15 Agriculture child nutrition programs, whichever is greater,
16 multiplied by the following factors:

17 (A) ~~0~~ 0.10 for the qualified formula students comprising
18 the first five percent of the formula students in the local system;

19 (B) ~~0.05~~ 0.20 for the qualified formula students
20 comprising more than five percent and not more than ten percent of
21 the formula students in the local system;

22 (C) ~~0.10~~ 0.30 for the qualified formula students
23 comprising more than ten percent and not more than fifteen percent
24 of the formula students in the local system;

25 (D) ~~0.15~~ 0.40 for the qualified formula students
26 comprising more than fifteen percent and not more than twenty
27 percent of the formula students in the local system;

28 (E) ~~0.20~~ 0.50 for the qualified formula students

1 comprising more than twenty percent and not more than twenty-five
2 percent of the formula students in the local system;

3 (F) ~~0.25~~ 0.60 for the qualified formula students
4 comprising more than twenty-five percent and not more than thirty
5 percent of the formula students in the local system; and

6 (G) ~~0.30~~ 0.70 for the qualified formula students
7 comprising more than thirty percent of the formula students in the
8 local system; and

9 (iv) The extreme remoteness factor shall equal 0.125
10 times the formula students in the local system for each local
11 system that has fewer than two hundred formula students, more than
12 six hundred square miles in the local system, less than
13 three-tenths formula student per square mile in the local system,
14 and more than twenty-five miles between the high school attendance
15 center and the next closest high school attendance center on paved
16 roads.

17 (2) The total adjusted formula students for each local
18 system shall equal the weighted formula students plus the
19 demographic factors, except that (a) for local systems qualifying
20 for the extreme remoteness factor, the total adjusted formula
21 students shall be greater than or equal to one hundred fifty
22 adjusted formula students, (b) the total adjusted formula students
23 for a local system shall not include the extreme remoteness factor
24 or any adjustment to the adjusted formula students resulting from
25 qualification for the extreme remoteness factor for the calculation
26 of the average formula cost per student in each cost grouping
27 pursuant to subdivision (2) of section 79-1007.02, and (c) the
28 total adjusted formula students for a local system shall include

1 the extreme remoteness factor and any adjustment to the adjusted
2 formula students resulting from qualification for the extreme
3 remoteness factor for the calculation of the local system's formula
4 need pursuant to subdivision (3) or (4) of section 79-1007.02.

5 Sec. 2. Section 79-1028, Revised Statutes Supplement,
6 2004, is amended to read:

7 79-1028. (1) A Class II, III, IV, V, or VI school
8 district may exceed the local system's applicable allowable growth
9 rate for (a) expenditures in support of a service which is the
10 subject of an agreement or a modification of an existing agreement
11 whether operated by one of the parties to the agreement or an
12 independent joint entity or joint public agency, (b) expenditures
13 to pay for repairs to infrastructure damaged by a natural disaster
14 which is declared a disaster emergency pursuant to the Emergency
15 Management Act, (c) expenditures to pay for judgments, except
16 judgments or orders from the Commission of Industrial Relations,
17 obtained against a school district which require or obligate a
18 school district to pay such judgment, to the extent such judgment
19 is not paid by liability insurance coverage of a school district,
20 (d) expenditures to pay for sums agreed to be paid by a school
21 district to certificated employees in exchange for a voluntary
22 termination of employment, or (e) expenditures to pay for
23 lease-purchase contracts approved on or after July 1, 1997, and
24 before July 1, 1998, to the extent the lease payments were not
25 budgeted expenditures for fiscal year 1997-98.

26 (2) A Class II, III, IV, V, or VI district may exceed its
27 applicable allowable growth rate by a specific dollar amount if the
28 district projects an increase in formula students in the district

1 over the current school year greater than twenty-five students or
 2 greater than those listed in the schedule provided in this
 3 subsection, whichever is less. Districts shall project increases
 4 in formula students on forms prescribed by the department. The
 5 department shall approve, deny, or modify the projected increases.

6	Average daily	Projected increase
7	membership of	of formula students
8	district	by percentage
9	0 - 50	10
10	50.01 - 250	5
11	250.01 - 1,000	3
12	1,000.01 and over	1

13 The department shall compute the district's estimated
 14 allowable budget per pupil using the budgeted general fund
 15 expenditures found on the budget statement for the current school
 16 year divided by the number of formula students in the current
 17 school year and multiplied by the district's applicable allowable
 18 growth rate. The resulting allowable budget per pupil shall be
 19 multiplied by the projected formula students to arrive at the
 20 estimated budget needs for the ensuing year. The department shall
 21 allow the district to increase its general fund budget of
 22 expenditures for the ensuing school year by the amount necessary to
 23 fund the estimated budget needs of the district as computed
 24 pursuant to this subsection. On or before July 1, the department
 25 shall make available to districts which have been allowed
 26 additional growth pursuant to this subsection the necessary
 27 document to recalculate the actual formula students of such
 28 district. Such document shall be filed with the department under

1 subsection (1) of section 79-1024.

2 (3) For school year 2006-07, a Class II, III, IV, V, or
3 VI district may exceed its applicable allowable growth rate by a
4 specific dollar amount if the district demonstrates to the
5 satisfaction of the department that it will exceed its applicable
6 allowable growth rate as a result of changes in the adjusted
7 formula student count due to increased weighting factors for
8 full-day kindergarten, the limited English proficiency factor, or
9 the poverty factor. The department shall compute the amount by
10 which the increases will result in the district exceeding its
11 applicable allowable growth rate and shall allow the district to
12 increase its general fund expenditures by such amount for that
13 school year.

14 (4) A Class II, III, IV, V, or VI district may exceed its
15 applicable allowable growth rate by a specific dollar amount if
16 construction, expansion, or alteration of district buildings will
17 cause an increase in building operation and maintenance costs of at
18 least five percent. The department shall document the projected
19 increase in building operation and maintenance costs and may allow
20 a Class II, III, IV, V, or VI district to exceed the local system's
21 applicable allowable growth rate by the amount necessary to fund
22 such increased costs. The department shall compute the actual
23 increased costs for the school year and shall notify the district
24 on or before July 1 of the recovery of the additional growth
25 pursuant to this subsection.

26 ~~(4)~~ (5) A Class II, III, IV, V, or VI district may exceed
27 its applicable allowable growth rate by a specific dollar amount if
28 the district demonstrates to the satisfaction of the department

1 that it will exceed its applicable allowable growth rate as a
2 result of costs pursuant to the Retirement Incentive Plan
3 authorized in section 79-855 or the Staff Development Assistance
4 authorized in section 79-856. The department shall compute the
5 amount by which the increased cost of such program or programs
6 exceeds the district's applicable allowable growth rate and shall
7 allow the district to increase its general fund expenditures by
8 such amount for that fiscal year.

9 ~~(5)~~ (6) A Class II, III, IV, or V district may exceed its
10 applicable allowable growth rate by the specific dollar amount of
11 incentive payments or base fiscal year incentive payments to be
12 received in such school fiscal year pursuant to section 79-1011.

13 Sec. 3. Original section 79-1007.01, Reissue Revised
14 Statutes of Nebraska, and section 79-1028, Revised Statutes
15 Supplement, 2004, are repealed.